

April 2014

Fund Description

Investment strategy:	equity, sub-debt
Investment objective:	aims to generate consistent yearly returns through investing into the projects with long term off-take agreements, proven technology and strong contractor guarantees
Primary investment focus:	renewable energy projects <ul style="list-style-type: none"> - PV solar plants - Wind farms - Small hydro power plants - Waste-to-energy facilities - Combined heat & power production - Biogas power plants - Biomass facilities
Region Focus:	CEE

Fund Facts

Fund type	open-end fund
Currency classes	EUR class is available
Base currency of the class	EUR
Inception date of the fund	29th January 2013
ISIN	CZ0008474053
Fund size	20.866 mil.EUR
Strategy capacity	EUR 170 m
Minimum subscription	EUR 125,000
Subsequent minimum subscriptions	EUR 10,000
Dealing day	First business day of each month
Subscriptions	monthly
Redemptions	quarterly with 90 days notice
Investment manager and sponsor fees*	1.95%
Data sources	AVANT investiční společnost a.s.
*Excludes administration and custodian fee - please see Prospectus for further details on fees.	
A performance fee of 30% above IRR 11% net of fees is levied on the appreciation of the Net Asset Value of the fund adjusted for	

Manager commentary as of 30th April 2014

Portfolio:

Portfolio Performance in April has achieved positive 0,58% m-t-m result. The fund has started attacking 8-9% p.a. planned yield performance net of fees.

Acquisition of the 7 MW solar PV Plant has been finished and for May 2014 this Fund performance will be positively influenced by this asset. Investment committee of the Fund has approved the 5,2 MW solar PV plant acquisition in Slovakia. Parallely to this, pre-due diligence process of 4 biomass plants with total installed capacity of 3,5 MW in Slovakia has started.

Pipeline of the fund for upcoming 3rd - 4th Quarter 2014, consists of 20 MW of diverse solar, biomass and co-generation projects in Czech and Slovak republic.

Investors:

Distribution process of the Fund shares continues.

Management of the Fund holds ongoing talks with additional partners with the aim of acquiring Top 3 chains in Czech and Slovak republic able to start distribution of the Fund by the 1.6.2014. Significant slovak retail chain QNT starts selling the fund since 1.7.2014. Next retail chains and partners under negotiations: mainly Association of Pension funds and Asset management companies in Czech republic, Family Offices in Czech republic, Aegon, Schelhammer&Schatter, ZPF Akademie, Swiss Life, Partners CR, Broker Consulting, ERSTE Premier, Societe generale, CP IP etc

Fund performance**

	as of	30.6.13	31.7.13	31.8.13	30.9.13	31.10.13	30.11.13	31.12.13	31.1.2014	28.2.2014	31.3.2014	30.4.2014
share price	EUR	0,0991	0,1001	0,1011	0,1017	0,1020	0,1025	0,1029	0,1033	0,1037	0,1042	0,1048
monthly performance	%		1,01%	1,00%	0,59%	0,29%	0,49%	0,39%	0,39%	0,39%	0,48%	0,58%
quarterly performance	%				2,60%			1,18%			1,26%	
yearly performance*	%							7,67%				

* recalculated to 12 months basis

** net of Sponsor and Investment manager fees

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The price of Shares may go down as well as up and the price will depend on fluctuations in financial markets outside NOVA fund's control, as a result an investor may not get back the amount invested. Past performance is not indicative of future performance.

Reference to a security is not a recommendation to buy or sell that security. Holdings and allocations are subject to change. Prices quoted refer to accumulation Shares unless otherwise stated. Historic data may be subject to restatement from time to time.

USA to Start Reducing the Greenhouse Gas Emissions

On 2 July, the Obama's government announced that within the next 16 years the USA will reduce the carbon emissions by 30 percent.

New intentions laid in the Clean Power Plan, issued by EPA (link to the document is provided in the section available for prescribers only – red. com.) are related mainly to coal-fired power stations discharging more carbon than any other type of emitter. According to TheVerge.com, there are more than 600 such power plants in the U.S. and due to the new policy hundreds of them will be facing the threat of shutdown.

The new plan should provide the principal change of American power production industry.

According to EPA (US Environmental Protection Agency), states, cities and enterprises in the whole country are already taking measures to solve the risks arising from climatic changes. The proposal of EPA is based on such activities and should be flexible – reflecting the reality that several states have several combinations of available sources and possibilities to substitute such sources. It is also aimed to maintain an affordable and reliable energy system.

Power stations produce approximately third of all greenhouse gas emissions in the U.S. Despite the fact there are already limits for arsenic, mercury,

sulphur dioxide, nitrogen oxide and particle pollution emissions, there were no national limits for carbon pollution set so far.

The Clean Power Plan proposes general criteria based on policy trends already applied in the individual countries of USA.

The Plan includes the following goals:

- Reduction of carbon emissions within the energy industry at the nationwide level by 30 percent compared to 2005, being the equivalent of emission production of half of the houses in the whole USA in one year.
- Reduction of particles, nitrogen oxide and sulphur dioxide emissions by more than 25 percent.
- Reduction of payments for energy by 8 percent due to increased energy efficiency and decreasing demand for electricity.

The Clean Power Plan will be implemented via partnerships with individual states, where states will identify their policies based on the current and planned energy production. The proposal includes an obligation for individual states to develop programs to meet such goals. The states may choose the right combination of energetic mix adjustment and ways for increasing the energy efficiency.

Greenpeace Requesting the Real Energy Safety

Today, at the natural gas pipeline on the Morava River, activists of the Slovak and Czech Greenpeace drew the attention to the long-term problems of energy dependence on import and challenged governments of both countries to enforce the real solutions.

According to environmentalists, such solutions would be energy efficiency and higher rate of domestic renewable sources. According to Greenpeace, the current debate related to our energy safety is currently stuck on gas supply diversification only and there is absolutely no dedication to find the real solutions that would be useful in several areas.

“The gas supply diversification and reverse flow from the west seem to be the logical steps; however, they do not solve our energy dependency or safety. At the same time, they are not able to protect our economy against similar crisis in the future. Unexpectedly, in situation where our energy vulnerability is fully exposed, the Slovak government, for no specific reason, refuses to support the higher climatic and energetic goals of the EU based on energy efficiency and higher rate of renewable sources. Besides, this is the only way that could provide effective protection against the similar type of situations,” said Pavol Siroky, the coordinator of climate campaign at Greenpeace Slovakia.

He also added that since 2009, when the first gas crises occurred, the level of gas as well as other final energy source import has remained almost

at the same level. Then, we were importing 98 percent of gas from Russia and the same numbers apply today as well. However, the gas usage is decreasing minimally.

“In a few days, all leading EU representatives will talk about energy and climate package of goals for 2030. So far, the Slovak government has been strictly refusing any binding goals for energy saving and renewable sources. It supports the only one – the climatic goal. Such goal, according to the analysis of the commission, will reduce the natural gas usage in EU by 10 percent only. The combined binding goal for renewable sources, energy saving and reduction of emissions would reduce the gas usage by 2030 by at least 30 percent. By accepting such commitment, the politicians would kill more birds with one stone as they would support the energy safety, worldwide climate and their citizens as well,” added Pavol Siroky.

According to Greenpeace, many studies show that the renewable sources could provide for almost half of the energy usage of EU by 2030. For example, according to the research by the Fraunhofer Institute, it would be possible to save more than 40 percent of the end-user energy consumption, being equivalent of the whole current natural gas import from Russia. Greenpeace supports three binding goals: reduction of household carbon dioxide emissions by at least 55 percent, increasing of the renewable sources ratio to 45 percent and energy saving at the level of 40 percent of the energy consumption in 2005.

